

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

<b>In re:</b>	)	Chapter 11
	)	
<b>W. R. GRACE &amp; CO., et al.,<sup>1</sup></b>	)	Case No. 01-1139 (JKF)
	)	Jointly Administered
	)	
<b>Debtors.</b>	)	
	)	

**Re: Docket Nos. 20872, 20874, and 20877**

**NOTICE OF SECOND SET OF MODIFICATIONS TO JOINT PLAN OF  
REORGANIZATION**

Please take notice that the above-captioned debtors (the “Debtors”), together with the Official Committee of Asbestos Personal Injury Claimants, the Official Committee of Equity Security Holders, and the Asbestos PI Future Claimants’ Representative (collectively the “Plan Proponents”), hereby submit this second set of technical modifications to the Plan Proponents’ First Amended Joint Plan of Reorganization [Dkt. No. 20872] and related Plan Documents contained in the Exhibit Book filed on February 27, 2009 [Dkt. No. 20874] and amended Exhibit

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<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food ‘N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

25 filed on February 28, 2009 [Dkt. No. 20877] (collectively, the “Plan Document Modifications”), and respectfully state as follows:

1. The Plan Proponents filed their first set of Plan Document Modifications to the Joint Plan on September 4, 2009 [Dkt. No. 23177]. Those modifications were either technical in nature (*e.g.*, correcting typographical or similar errors) or were intended to address specific objections that were filed by various objecting parties in opposition to the confirmation of the Joint Plan.

2. Since that time, the Plan Proponents have made some additional plan modifications to address objections or clarifications requested by various parties. Specifically, the second set of modifications are explained below, and relate to the Joint Plan and Exhibit 3 to the Joint Plan -- the Asbestos PD Trust Agreement.

**Exhibit 1 - The Joint Plan of Reorganization**

- (a) Language was amended in the first set of Plan Document Modifications with respect to plan provisions involving BNSF. After negotiations with BNSF and other counsel during the Phase II Confirmation Hearing, the Plan Proponents agreed to make further revisions.
- (b) The Official Committee of Unsecured Creditors has previously asked that language be added to Section 3.1.9(b) of the Joint Plan to reflect that the contractual, equitable, and legal rights of Holders of Claims in Class 9 were unaffected by the Joint Plan. The Plan Proponents added such language; however, the Plan Proponents also added clarifying language that such rights are unaffected except as to any preemptory effect of bankruptcy law. Notwithstanding this language, it is the Plan Proponents’ understanding that the Committee is not satisfied with this language.
- (c) Further changes were made to the definition of “Settled Asbestos Insurance Company” in the Joint Plan at Section 1.1.201 to (a) permit additional time to conclude Asbestos Insurance Settlement Agreements with Asbestos Insurance Entities; and (b) clarify that the Court approval is required for insurance settlements entered into after the Petition Date.

**Plan Exhibit 3 - Asbestos PD Trust Agreement**

- (a) At the recent request of the PD FCR, certain changes were made to the Asbestos PD Trust Agreement in Sections 1.4(d), 2.1(c)(viii) and 2.1(g) therein to better account for any possible payment defaults and how to then provide more clarity as to the mechanisms that would be in place to value and pay traditional PD present and future claims in a substantially similar manner.

The second set of Plan Document Modifications are reflected in **Exhibit A** attached hereto.

3. No additional changes were made to the Plan Documents since the first set of Plan Document Modifications. However, for ease of reference of the parties and the Court, the Plan Proponents are attaching full blacklines of all changed documents to include all changes from February 27, 2009 through the present date unless otherwise indicated. If any parties would like clean copies of these documents, please contact Debtors' counsel at the below address:

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The blackline of the Joint Plan is attached at **Exhibit B** hereto; the blackline of the Asbestos PD Trust Agreement (Exh. 3 in the Exhibit Book) is attached at **Exhibit C** hereto; the blackline of the Asbestos PI TDP (Exh. 4 in the Exhibit Book) is attached at **Exhibit D** hereto; the blackline of the Schedule of Settled Asbestos Insurers Entitled to 524(g) Protection (Exh. 5 in the Exhibit Book) is attached at **Exhibit E** hereto;<sup>2</sup> the blackline of the Insurance Transfer Agreement and the accompanying schedules (Exh. 6 in the Exhibit Book) is attached at **Exhibit F** hereto; and the blackline of the PD CMO and Ex. A thereto (Exh. 25 in the Exhibit Book) is attached at **Exhibit G** hereto.

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<sup>2</sup> This document is current only through September 4, 2009, and will be updated as appropriate.

3. Section 1127(a) of the Bankruptcy Code provides in pertinent part: “The proponents of a plan may modify such plan at any time before confirmation, but may not modify such plan so that such plan as modified fails to meet the requirements of sections 1122 and 1123 of this title. After the proponent of a plan files a modification of such plan with the court, the plan as modified becomes the plan.” 11 U.S.C. § 1127(a).

4. Furthermore, Rule 3019 of the Federal Rules of Bankruptcy Procedure provides in pertinent part: “In a chapter 9 or chapter 11 case, after a plan has been accepted and before its confirmation, the proponent may file a modification of the plan. If the court finds after hearing on notice to the trustee, any committee appointed under the Code, and any other entity designated by the court that the proposed modification does not adversely change the treatment of the claim of any creditor or the interest of any equity security holder who has not accepted in writing the modification, it shall be deemed accepted by all creditors and equity security holders who have previously accepted the plan.” Fed. R. Bankr. 3019.

5. The proposed Plan Document Modifications do not alter in any respect the treatment accorded to claims or equity interests of any party that has not consented to or requested such modifications. As such, the Plan Proponents submit that no additional solicitation is required as a result of the requested modifications. *See In re Cellular Info. Sys., Inc.*, 171 B.R. 926, 929 n.6 (Bankr. S.D.N.Y. 1994) (nonmaterial modifications to plan do not require resolicitation).

Dated: October 12, 2009  
Wilmington, Delaware

Respectfully submitted,

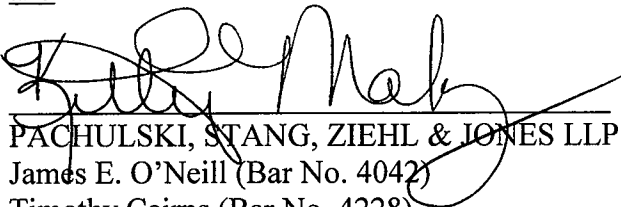
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